



NOTES FROM THE:

Deputy Assistant Secretary, Cost & Economics

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Nonappropriated Fund Financial Analyst (NAFFA) Training

Due to manning constraints, Air Force Services is significantly reducing the number of times they will offer their three-week Nonappropriated Fund (NAF) accounting course. This has been a primary source of training for our FM NAFFAs. Air Education and Training Command (AETC) no longer provides NAF oversight or NAF accounting training, because NAFFAs are considered fully qualified by Civilian Personnel when they are hired. However, our dilemma is many of our NAFFAs come to us with no NAF experience. To fill this training need, we have developed a three-phase training plan:

- Prepare an information package for FMs and NAFFAs about other training sources. This information is being sent to MAJCOM FMs and NAFFAs for distribution to their installations and will be available on the FM Homepage. It includes a breakout of recommended courses for new NAFFAs. Training sources include AFAA, USDA Graduate School, OSI, and others.
- A two-week training session for new NAFFAs with the first class offered this summer. Training would consist of one week of classroom instruction, with subjects in NAF oversight and NAF accounting. The second week would consist of mentoring, with 2-3 new NAFFAs going to a mentor NAFFA base for "hands-on" training.
- An annual continuing professional education (CPE) requirement for NAFFAs. This is a proposal that must have several issues resolved before it could be implemented. Issues to be resolved include funding, definition of what would qualify as CPE courses, number of CPE hours to require, and a control mechanism.

Worldwide Economic Analysis Conference

The 7th Annual Economic Analysis (EA) Conference will take place at Albuquerque NM. 377th CPTS/FM, Kirtland AFB, will host the SAF/FMCE-sponsored conference. The conference will bring field analysts up to speed on financial analysis developments supporting outsourcing and privatization. Analysts will share lessons learned supporting housing privatization, A-76

independent reviews, and activity-based costing (ABC) studies. A demo of Easy ABC, the software the Air Force uses for ABC, will be given. New features in this year's conference will be presentations on environmental EAs, risk analysis in EAs, the Innovation Center's reengineering efforts, and the development of USAF cost factors. We hope to have Mr Hale, SAF/FM, provide opening remarks by emphasizing the importance of analysis in a constrained budget environment.

Housing and Facilities Privatization

Within the world of outsourcing and privatization (O&P) much of the current emphasis has been on outsourcing, specifically through A-76 studies. This is a natural consequence of Project Jump Start, and various OSD-directed personnel reduction initiatives. Beyond these immediate initiatives, however, lies a large number of privatization efforts that will have a major influence on how the Air Force does business in the 21st Century. These efforts, many of which are part of the Defense Reform Initiatives, include evaluating the merits of privatizing substantial numbers of Air Force housing units and utility systems.

Beyond the near-term demands of A-76 analysis, the Directorate of Economics and Business Management (SAF/FMCE) is focusing on the complex analytics and the public policy issues associated with divesting Air Force infrastructure. We have discussed the underlying economic issues with officials from OSD, the Office of Management and Budget, the Treasury Department, and the Department of Housing and Urban Development. Based on thorough review and synthesis of Federal policies, FMCE is developing an in-house risk-adjusted privatization model. Should the need arise, we can support Air Force offices that seek privatization analytical support. The POC is Mr Walter Hosey, DSN 227-9265, or Mr Steve Connair, DSN 223-9347.

The support we offer for privatization initiatives is in addition to the ongoing Air Force-wide study support we are providing for activity-based costing (ABC) studies. Ms Paula Spinner, SAF/FM POC for ABC work, can be reached at DSN 223-9346. In addition, you can find many items of interest on the ABC Page, found on the SAF/FM Home Page <http://www.hq.af.mil/SAFFM/>.